

a *bona fide* cause for he visits, either the development of the industry or something like that and he may also look into the labour conditions there. Therefore, I think we need not pursue this matter here.

Sir, there are no more points made during the course of the debate which I have to deal with. I have nothing more to add.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to amend the Tea Act, 1953, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: Now we come to the clause by clause consideration of this Bill. There are no amendments.

Clause 2, clause 1, the Title and the Enacting Formula were added to the Bill.

SHRI D. P. KARMARKAR: Sir, I beg to move:

"That the Bill be returned."

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

The motion was adopted.

#### THE INDIAN TARIFF (THIRD AMENDMENT) BILL, 1954.

MR. DEPUTY CHAIRMAN: We may now take up the next Bill—The Indian Tariff (Third Amendment) Bill, 1954.

SHRI S. N. MAZUMDAR (West Bengal): Is there time Sir?

MR. DEPUTY CHAIRMAN: Yes, there is still time. Let the Minister move the Bill and we can take up the discussion on Monday.

I have to inform Members that under rule 162(2) of the Rules of

Procedure and Conduct of Business in the Rajya Sabha, the Chairman has allotted one hour for the completion of all stages involved in the consideration and return of the Indian Tariff (Third Amendment) Bill, 1954, by the Rajya Sabha including the consideration and passing of amendments, if any, to the Bill.

AN HON. MEMBER: From now?

MR. DEPUTY CHAIRMAN: Yes, one hour from now. We will continue the discussion on Monday.

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR): Sir, my colleague Mr. Kanungo is taking up this Bill and.....

(Shri N. Kanungo entered the Chamber.)

There he is coming and I only wanted to take up the time till he came.

THE DEPUTY MINISTER FOR COMMERCE AND INDUSTRY (SHRI N. KANUNGO): Sir, I move:

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Lok Sabha be taken into consideration."

Sir, this is the usual Tariff Bill where we are asking for de-protection of three industries on the report of the Tariff Commission, giving protection to one industry and asking that the protection of ten industries should be continued because the Tariff Commission has not been able to submit their report in time and since the protective duties expire by the end of this year, they have got to continue for a year.

I shall take the first item on which protection is being removed. They are—sewing machines, pickers and Zip fasteners. In the case of the sewing machines, the protection given to this industry has amply justified itself and today we are able to export 10,863

[Shri N. Kanungo.]

machines are against 6,164 machines which we were able to export in 1951.

The fair ex-works price of the sewing machines produced in our country is Rs. 105 against Rs. 146 ex-duty of the cheapest source of import, Japan. Therefore, the industry has justified itself and Government feel that there is no further necessity of having a duty.

Regarding pickers, we find that the ex-works price of indigenous origin are lower than the ex-duty imported cost of similar material and if our manufacturers continue to produce goods of ISI specification then we hope that a fairly good market can be built for them.

I am sorry, Sir, that the story of the other industry is not so good. The zip fasteners industry was given protection and the protection continues till the end of this year. Unfortunately the domestic manufacturers did not make good use of the protection granted to them and I submit, Sir, that the protection was of a very high order, 165 *ad valorem*. On the Report of the Tariff Commission, Government have come to the conclusion that it is not worthwhile giving that protection to the industry because it has not been able to make good and Government cannot allow the consumers to pay

higher prices for an article which has become almost a necessity. Therefore, Sir, the proposal in this Bill is that the protective duty should be removed but all the same 66-2/3% *ad valorem* duty will be continued and in case the industry is able to improve itself and show better results then an application for protective duty may be considered at a future date.

Now, Sir, the Bill provides a new item and that is protection to the Automobile Leaf Spring Industry. The Tariff Commission while enquiring into the case of the automobile industry as such mentioned that each of the components should be taken up se-

parately and now, after enquiries, they have suggested that the leaf spring industry which is an important component of motor vehicles—almost the entire weight of the vehicle is carried on the spring—should be protected. After careful investigation, the Commission has recommended that the revenue duty of 50 per cent. *ad valorem* on leaf springs and parts thereof should be converted into a protective duty till 31st December, 1956. This recommendation has been accepted by Government and the Bill seeks to implement it. I may add, Sir, that this does not involve any additional burden on the consumer.

Now, Sir, I come to the ten industries, starch, glucose, soda ash, Calcium chloride, Titanium Dioxide, artificial silk and cotton and artificial silk mixed fabrics, alloy, tool and special steels, iron or steel machine screws, iron or steel baling hoops and grinding wheels. Though the Bill seeks to continue the protection till the end of 1956, Government hope that if the report of the Tariff Commission on these items would come earlier then they will take earliest steps to bring forward proposals before the House.

Sir, I submit that the Bill, as passed by the Lok Sabha, be taken into consideration.

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Lok Sabha, be taken into consideration."

SHRI KISHEN CHAND (Hyderabad): Mr. Deputy Chairman, the fact is that the Government has not got a definite or set policy in the matter of development of internal industries, especially small scale and medium scale industries. I begin with one example, say, the zip fasteners. Now, the local producers have not got the machinery and the equipment to compete with the foreign firms. If we go

on simply giving protection, we only increase the price but it does not lead to the growth of the industry inside the country. What are the measures that the Government had taken to develop the growth of the industry? I may point out, Sir, that nearly 25 or 30 years ago when the Tata Iron and Steel Company was in a very bad position, the Government had to impose an import duty and in spite of that the steel industry was not progressing. Then the Government adopted the policy of giving a subsidy. I submit, Sir, that especially in the case of medium scale and small scale industries, the method adopted by Government of giving protection is not the correct method. Of course, some sort of protection has to be given but the Government should adopt the other method of giving subsidy on production on an increasing scale as the production increases, so as to reduce the cost to such an extent that it creates a demand even if the quality is slightly lower than the quality of the imported stuff. This policy of giving only protection is leading to the establishment of foreign firms in those particular lines where they feel that they will get monopolistic rights. They do not come in other fields. Where the foreign firms get this monopolistic right even the local industries are not able to compete with the foreign firms with the result that the consumer has got to pay higher prices without any benefit to society. I, therefore, submit that this policy of only increasing the protective duty or the revenue duty which also increases the prices of consumer goods, is not the correct method. For, after all, we are not an isolated country; we will have to produce certain articles, export them and in return take certain things from outside. The Government should have a broad-based policy, a policy clearly earmarking in which directions and in what articles our countrymen are going to specialise. I think, Sir, that apart from large scale industries, these medium scale industries and cottage industries are very essential for

finding greater employment in our country and until and unless our Government has a set policy, we are not going to solve the problem of unemployment.

Sir, I admit that the production of sewing machines and parts thereof has considerably increased in our country and that the sewing machines are being exported from our country but even now the quality of the machines produced in our country is not as good as the machines produced by the foreign countries. Therefore, when the Government has discontinued completely the protection and also is not going to give any subsidy at all, the result will be that after a few months, the sewing machines and parts thereof will feel the impact of competition. During the last few years we have built up some sort of an industry with great labour and it is possible that when we are going to reap the fruits of this industry this removal of protective duty is going to act as a set back.

Then, Sir, a similar argument can be advanced about the pickers used in cotton textiles.

MR. DEPUTY CHAIRMAN: You may continue on Monday, Mr. Kishen Chand. There is a message which the Secretary will report.

#### MESSAGE FROM THE LOK SABHA

PREVENTION OF DISQUALIFICATION  
(PARLIAMENT AND PART C STATES  
LEGISLATURE) SECOND AMENDMENT  
BILL, 1954.

SECRETARY: Sir, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary of the Lok Sabha:

"In accordance with the provisions of Rule 132 of the Rules of